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E.O. 12958: DECL: 12/19/2016
TAGS: [PGOV](#) [EAID](#) [ECON](#) [KU](#) [NATIONAL](#) [ASSEMBLY](#)
SUBJECT: PARLIAMENT VOTES 39-20 AGAINST WRITING OFF PRIVATE
CONSUMER LOANS; IMPLICATIONS FOR FOREIGN AID

REF: A. KUWAIT 4612
[1](#)B. KUWAIT 3826

Classified By: CDA Matt Tueller for reason 1.4 (d)

[1](#)1. (C/NF) Summary and comment: The Kuwaiti Parliament voted December 19 against a controversial proposal to write off citizens' private loans at an estimated cost to the government of \$27 billion. The proposal was strongly supported by tribal parliamentarians, dividing the three opposition blocs. Tribal MPs, with the notable exception of the Islamic Constitutional Movement (ICM), almost unanimously voted for the proposal, while urban MPs voted against it. One of the most ardent supporters of the measure, independent, tribal, Islamist MP Daifallah Bou Ramya, strongly criticized the Government for "squandering Kuwait's money on foreign aid" while "refusing to help (its) own people." This criticism is likely to resurface if and when Parliament votes on the \$500 million Katrina aid package, the \$300 million in assistance pledged to aid Lebanese reconstruction, and Iraq debt relief. The disunity of the opposition blocs on this issue highlights the challenges they face in coordinating their positions on specific issues, given their members' often competing affiliations (ref B) and the pork-barrel nature of Kuwaiti politics. End summary and comment.

[1](#)2. (SBU) On December 19, Parliament voted 39 to 20 with four abstentions against writing off Kuwaiti citizens' consumer loans. According to Minister of Finance Bader Al-Humaidhi, the measure would have cost \$27 billion. He added that of the 465,000 citizens with consumer loans, only 2.1 percent had repayment problems. As expected, all 15 Cabinet Ministers, who serve as ex officio Members of Parliament (MPs), voted against the proposal. Among elected MPs, the vote was split primarily along urban and tribal lines. Of the 25 tribal MPs in Parliament, 17 voted for the proposal while only five voted against it, three of whom were from the Islamic Constitutional Movement (ICM), the political arm of the Kuwaiti Muslim Brotherhood. This urban-tribal divide was most evident in the voting of the three opposition blocs, which together form a majority in Parliament. All eight members of the liberal, urban National Action Bloc voted against the measure, but both the Popular Action Bloc (9 MPs) and the Islamic Bloc (17 MPs) were divided. Ten members of the Islamic Bloc, including all six ICM MPs and both Salafi Islamic Grouping MPs, voted against the proposal, while six, all with tribal affiliations, voted for it. The Popular Action Bloc was evenly split with one abstention; the four who voted for it all had tribal affiliations.

[1](#)3. (SBU) One of the most ardent supporters of the measure was Daifallah Bou Ramya, an independent Islamist MP from the Mutran tribe. In a heated debate on the issue during the

December 18 session of Parliament, Bou Ramya criticized the Government for "squandering Kuwait's money on foreign aid." He continued: "You are helping Iraq, Lebanon, Jordan, and Morocco and refusing to help your own people." (Note: Kuwait has one of the most extensive cradle-to-grave welfare systems in the world. End note.) After the proposal failed to pass, he threatened to "grill" (i.e. interpolate) the Minister of Finance over the issue. During the session, supporters of the write-off demonstrated noisily in and around the Parliament building until they were banned from the premises.

A small group of 75-100 then moved to the Seif Palace just down the street, where they continued their loud, but non-violent demonstrations. The issue has received considerable media attention in recent weeks and inspired some Kuwaitis to take out new loans in the hope that they would soon be paid off by the Government.

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